

Message Text

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45

ACTION NEA-12

INFO OCT-01 ADP-00 SPM-01 AGR-20 EB-11 AID-20 IGA-02 OMB-01

TRSE-00 COM-08 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12 IO-13

RSR-01 /155 W

----- 095744

R 161133Z JUL 73

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 9763

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E.O. 11652: N/A

TAGS: EAID, CE

SUBJ: PM'S URGENT REQUEST FOR PL 480 WHEAT FLOUR

1. I CALLED ON PM BANDARANAIKE AT HER DOWNTOWN OFFICE AT 0930 AM JULY 16 PER HER EARLIER REQUEST TO SEE ME. H. A. DES. GUNASEKERA, SECRETARY OF MINISTRY OF PLANNING AND ECONOMIC AFFAIRS AND NUHAL KAPPAGODA, DIR OF FOREIGN RESOURCES IN SAME MINISTRY ALSO PRESENT. PURPOSE OF MEETING WAS TO GIVE PM OPPORTUNITY TO RE-EMPHASIZE SRI LANKA GOVERNMENT'S DESPERATE NEED FOR PL 480 WHEAT FLOUR.

2. MRS. B BEGAN BY HANDING ME COPY OF LETTER TO PRESIDENT NIXON DATED 10 JULY WHICH WAS BEING DELIVERED THROUGH SRI LANKA EMBASSY WASHINGTON. PM'S LETTER (COPY SEPTTEL) EXPRESSED REGRET AT FAILURE INCLUDE SRI LANKA IN FIRST QUARTER FY 74 PL 480 ALLOTMENTS AND REQUESTED THAT, IF USG UNABLE TO RESTORE GSL TO LIST OF COUNTRIES ELIGIBLE FOR FIRST QUARTER ALLOTMENT, GSL SHOULD BE INCLUDED IN SECOND QUARTER ALLOTMENT.

3. GUNASEKERA INTERVENED TO SAY THAT SINCE LETTER TO PRESIDENT NIXON HAD BEEN DESPATCHED, HE HAD RECEIVED MESSAGE FROM SRI

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LANKA CHARGE DE ALWIS IN WHICH DE ALWIS HAD REPORTED ON

RECENT DISCUSSIONS WITH AID ON BASIS OF PROJECTED SHIPMENTS AND STOCK POSITION TABLES PROVIDED AID BY GSL AT ASSISTANT ADMINISTRATOR MACDONALD'S REQUEST (STATE 127046). CHARGE HAD REPORTED AID OFFICIALS HAD INFORMED HIM THEY THOUGHT IT WOULD BE POSSIBLE TO ARRANGE FOR SHIPMENTS COMMENCING FIRST HALF OF OCT AT RATE OF 35,000 TONS PER MONTH. THEY HAD ASSURED HIM THEY WOULD DO THEIR UTMOST TO ENSURE THESE SHIPMENTS. AID OFFICIALS HAD ALSO AGREED TO START NEGOTIATIONS ON NEW PL 480 AGREEMENT SOON TO ENSURE THAT THESE SHIPMENTS TARGETS WERE ACHIEVED.

4. I TOLD PM THAT I HAD NOT RECEIVED INDEPENDENT CONFIRMATION OF THIS INFORMATION FROM WASHINGTON BUT, IF SUCH CONFIRMATORY RECEIVED, IT WAS OBVIOUSLY FAVORABLE SIGN. KAPPAGODA EXPRESSED SOME SKEPTICISM THAT NEGOTIATIONS FOR NEW PL 480 AGREEMENT COULD BE COMPLETED IN TIME TO ENSURE 35,000 TON SHIPMENTS BY OCT AND ASKED WHETHER ARRANGEMENTS FOR ADVANCE REIMBURSABLE LETTERS OF CREDIT MIGHT BE ARRANGED TO ENSURE THAT WHEAT FLOUR ARRIVED IN TIME, EVEN IF AGREEMENT HAD NOT BEEN FORMALLY SIGNED. HE ALSO SAID THAT SLIPPAGE BEYOND OCT WOULD CAUSE SEVERE HARDSHIPS FOR GSL AND THAT 75,000 TONS OF WHEAT FLOUR WERE NEEDED FROM US BEFORE END OF YEAR. RICE PRODUCTION PROSPECTS WERE 30 PERCENT BELOW ANTICIPATED LEVELS AND RICE SHORTAGES WOULD CAUSE INCREASED DEMANDS FOR WHEAT FLOUR.

5. I REVIEWED OVERALL FOOD GRAIN SITUATION IN US ON BASIS PREVIOUS MESSAGES AND OFFICIAL STATEMENTS AND EXPLAINED WHY IT HAD NOT BEEN POSSIBLE INCLAVE GSL IN FIRST QUARTER ALLOCATIONS. I SAID WOULD SEEK CONFIRMATION OF INFORMATION REPORTEDLY CONVEYED BY AID TO SRI LANKA EMBASSY RE COMMENCEMENT OF 35,000 TON MONTHLY SHIPMENTS BEGINNING FIRST HALF OF OCT. IF IT DID NOT PROVE POSSIBLE TO MOVE WHEAT IN THIS QUANTITY WITHIN THIS TIME FRAME. I WOULD ALSO REQUEST WASHINGTON TO RE-EXAMINE POSSIBILITY OF ISSUANCE OF REIMBURSEABLE LETTERS OF CREDIT BUT RECALLED THAT IT HAD NOT BEEN POSSIBLE TO ISSUE SUCH LETTERS OF CREDIT WHEN GSL HAD RAISED SUBJECT EARLY

IN YEAR.

6. COMMENTS FOLLOW SEPTTEL.
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VAN HOLLEN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973COLOMB01788
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: COLOMBO
Handling Restrictions: n/a
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ISecure: 1
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 07 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Jan-2002 by willialc>; APPROVED <23-Jan-2002 by garlanwa>
Review Markings:

Declassified/Released
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EO Systematic Review
30 JUN 2005

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Review Withdrawn Fields: n/a
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